



Impunity Inc.

Reflections on the “super-rights”
and “super-powers” of corporate capital

Executive Summary

This report was produced as part of the **Global Campaign to Dismantle Corporate Power and Stop Impunity**. Through three case studies, it aims to provide inputs for reflection on the “super-rights” and “super-powers” of transnational corporations.

Chapter 1 describes the abuses and violations of fundamental labour rights taking place on a daily basis in the garment factories in **Morocco** which make clothes for export to Europe, affecting young women in particular. It also looks at the extent to which successive policies, from the French colonial administration to the present day, including those imposed by the World Bank and the International Monetary Fund, have dismantled the country's traditional agricultural base. For millions of people in the rural areas of Morocco, this process has meant the loss of their livelihoods, obliging them to accept long hours of work and low wages - that in most cases do not cover workers' basic needs - in export-oriented garment factories working for companies like Spain's **Inditex**. This is occurring despite the discourse on corporate social responsibility - now discredited and obsolete - and with the backing of the Association Agreement (AA) between the EU and Morocco, where there is no sanction mechanism to address the violations of fundamental rights. Through this Agreement, *Lex Mercatoria* and the protection of corporate interests continue to take priority over the rights of human beings.

Evidence of a similar situation is found in the case of **Central America**, where the profound asymmetry that characterises the signing of the AA between this region and the EU is highlighted. The guaranteed impunity examined here is that of the Spanish company **Pescanova in Nicaragua**. The case study focuses on its negative impacts in terms of insecure working conditions, the displacement of local fisherfolk and pollution of the environment in the region. The company's dominant position in the shrimp farming sector is emphasised, describing how it has managed to secure most of the area awarded under concession for shrimp production in the country. Its operations not only restrict the traditional fishing communities' access to fishing grounds, but also the local Nicaraguan population's access to food in the affected area. The fact that this agreement was signed recently (June 2012) demonstrates that the European Union has not changed its voracious trade policy over the years. Although human rights, workers' rights and sustainability are mentioned in the agreement, any attempt to demand that they be respected reveals that they are merely empty statements of principle that carry no weight compared to the chapter on trade and investment. The AA therefore provides a guarantee that this dramatic situation of impunity will continue.

Chapter 2 delves into **Europe's social metabolism** to examine the EU's substantial dependence on the import of increasingly strategic raw materials from impoverished countries.

It describes the structure of exports from South America and Africa to Europe and how this keeps these countries in the role of primary commodity exporters and thus in poverty. Emphasising that raw materials are important to capital not only from the metabolic point of view but also on the business side, the chapter describes how European companies are consolidating their monopoly position and their control of the international trade in raw materials. They use Europe as a political platform to ensure that their interests are defended through its “raw materials diplomacy,” but it is also the destination for their products. This is why they are particularly interested in maintaining the model of consumption and capitalist production that currently prevails in the EU. By examining **Glencore’s mining operations in Colombia, Bolivia and the Democratic Republic of Congo**, on which the EU’s metabolism depends, the chapter describes how a giant transnational like this is able to obtain enormous profits while also provoking serious social and environmental conflicts. A review of its activities in **MERCOSUR** countries, where it has taken over thousands of hectares of fertile land, provides evidence of Glencore’s control over practically the entire chain of production, under the “vertical integration” model imposed by agribusiness. When Free Trade Agreements, EPAs and AAs are placed under the microscope as they relate to this company, it becomes clear how they benefit it and only serve to increase its hegemony and impunity. Finally, the chapter describes Glencore’s operations in different areas of the economy, focusing on its role in **financial speculation** on commodities.

Through **up-to-date information on the implementation of the infrastructure mega-projects in South America (IIRSA-COSIPLAN), Chapter 3** concentrates on the physical foundations that support trade liberalisation, and the economic, social and environmental cost of this for the people. It also assesses the additional contamination of the infrastructure projects through their **increasing financialisation**, and emphasises the role played here by **European capital**. The chapter reveals the existence of a wider project, whose purpose is to enshrine markets as the means through which infrastructure is not only financed but its disposition *decided*. It also uncovers another worrying fact: even though the foundations are starting to be laid for counter-hegemonic power through initiatives like UNASUR, the territorial reorganisation driven by capital continues to advance as before. A separate section is devoted to the **mega-dams being built on the River Madeira in the Amazon**, with the involvement of **Banco Santander, GDF-Suez, Abengoa, Voith, Siemens** and other European companies. The two cases examined here represent a testing ground for the construction of dozens of other mega-dams in the Amazon. They are already demonstrating the extent of the social and environmental disaster that this will cause, as well as the systematic violation of workers’ rights and human rights in general.

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Founded in 1974, the Transnational Institute (TNI - www.tni.org) is an international network of activist researchers that carries out critical analyses of the global problems of today and tomorrow. It aims to provide intellectual support to movements struggling for a more democratic, equitable and environmentally sustainable world.



The Observatory on Debt in Globalisation (ODG - www.odg.cat) is a centre for activist research on North-South relations and the generation of debt between communities contracted as part of the current process of globalisation. Its work includes the struggle for social justice and environmental justice worldwide.

**Place and date of publication: Barcelona, June 2013
(original Spanish version published in December 2012)**

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Contact:

observatori@odg.cat

tni@tni.org